

HOW THE GOVERNMENT WILL FARE IF THE UNION PACIFIC IS SOLD THE KANSAS PACIFIC.

The Reorganization Syndicate now proposes to purchase only the Union Pacific Road, paying for it the full amount of the Government claim. This would leave the Government with the Kansas Pacific on its hands. Its claim against this road is \$13,000,000. The road is 394 miles long and ends at a mile post in the prairie, near Monument. Unless it is operated by the Union Pacific, it is almost valueless. Two lines, controlled by the Union Pacific, parallel the Kansas Pacific from its terminus near Monument to Kansas City, with the exception of about fifty miles, indicated by the cross. By joining these two roads, the Union Pacific will have a parallel line to the Kansas Pacific, and will be able to completely strangle that line.

istration a willing victim and in Attorney-General Harmon a plant tool. Winslow S. Pierce, the secretary of the Reorganization Committee, not only wrote the offer to the Government, but himself dictated the exact terms and language of the Government's acceptance. The paid attorneys of the Union Pacific Reorganization Committee sat on the floor of the Senate in the closing week of the last Congress, deliberately and unblushingly blocking every effort on the part of those Senators opposed to this nefarious bargain to expose the true inwardness of its character and to put a stop to the proceedings.

When the new Administration came into power and Congress was again in special session the revelations on the floor of the Senate were so strongly put that the Reorganization Committee, almost of its own accord, came forward in September, raised its bid \$5,000,000, and pleaded with the Administration to let the sale go on. This raise was to cover the Omaha bridge and terminals upon which the Government lien was of so shaky a character as probably to fail of security. This sealed the tremendous prospective profits of the syndicate, of course, some 20 per cent, yet left the advantage in their hands relative to subsequent deals on branch lines and the Central Pacific so large as to make it well worth their while to close the deal before Congress met.

Then came the order of the Court for the sale, on November 2, of the Union Pacific main line, to be followed November 5 by the sale of the Kansas Pacific. The fight for a further postponement waged at once by the New York Journal, rapidly followed in turn by leading papers all over the country, began to weigh upon the Administration.

Protests from Two States.

The managers of the Republican party in New York and Ohio, frightened by the Journal's vigorous course, implored McKinley to have the sale postponed. They argued to him that the action of the Cleveland Administration in agreeing to compromise for \$45,000,000 was received by the general public with a great deal of disfavor, and that it would be bad policy for the Republican party to follow the same unpopular course. It was pointed out to the President that the name of J. Pierpont Morgan was heard with great anger by the masses of the American people because of his connection with the Cleveland bond issue, and that the whole matter of landing over the Government's mortgage on Union Pacific for little over half its value was a Cleveland outrage that the Republicans at this time could not afford to shoulder.

At length it was impressed upon the President that he had nothing to gain by doing anything in the matter, and could avoid doing it by leaving it all to Congress. This step, it was also argued, in view of the opposition of the press, which throughout the country was following the New York Journal, would be a popular one, which the Administration in the future could claim credit for, as against the action of the Cleveland Administration.

Committee Acts Promptly.

The President, after listening patiently, agreed with his advisers, and directed the Attorney-General to file a motion for a postponement of the sale. The Reorganization Committee, which made the proposition of settlement, was notified of the Government's intention. It immediately sent Winslow S. Pierce, who is the personal attorney for George Gould, and also represents the Vanderbilt interests, to Washington to get Attorney-General McKenna to reconsider his determination. Pierce was further authorized to make an additional bid of eight million dollars, if, by so doing, the Government would not file its motion for postponement.

Pierce arrived in Washington last Saturday morning, and, after a short interview with McKenna, immediately returned to New York. During his interview with the Attorney-General the Gould attorney is said to have ridiculed the idea that any other syndicate could be organized. The secret of the Gould and Vanderbilt anxiety lies in the fact that they hold an immense amount of stock Union Pacific and junior securities, as well as a lot of bonds, and are to get a fat price by the reorganization.

It has been stated by a conservative railroad builder, who not only knows every mile of the Union Pacific road, in its present condition, but assisted in building a large portion of it also, that it is worth far more than the amount of both mortgages; that any one who got the road only subject

to the first mortgage for the amount of the Government's debt would get a bargain.

Heading Off All Rivals.

Nor has the Reorganization Committee been idle in New York. It has been a part of the committee's fight to head off the efforts of even a possible rival syndicate as much as to square its deal with the Administration. Out of the \$5,000,000 which was to be raked off by the Reorganization Committee, \$1,000,000 was set aside for promotion purposes. The effect of this reptile fund has been visible in scores of directions.

It is reported here to-day that two noted Wall street financiers, recently prominent in alleged efforts to create a new syndicate, have been "let in" by the Reorganization Committee for several millions of dollars of profit in order to keep them silent. This view of the present situation in New York is believed to be correct.

The President's action to-day will bring savage criticism upon his Administration. That he had the greatest opportunity of his life to secure the payment to the Government of its just debts on all the Pacific railroads is plain to every one who understands the true situation.

DIVIDED SALE MEANS GOVERNMENT'S LOSS.

Syndicate Gains Millions by the Separate Purchase of the Union Pacific.

Members of the Schiff-Morgan syndicate received positive assurances from Washington yesterday that President McKinley had ordered the motion for a postponement of the Union Pacific sale withdrawn, so signifying the willingness of the Administration to accept the syndicate's bid for the main line of the road.

Wall Street was jubilant when the news came. The meaning of the change of front was at once appreciated.

The syndicate will get the Union Pacific without the Kansas Pacific. It will pay the face value of the Government's lien on the Union Pacific, but it will not have to put up the additional \$13,000,000 which it has to make up in the Kansas Pacific. This sum will be an absolute loss to the Government under the new deal. By separating the two properties it can never recover a cent of what it advanced as subsidies allowed to accrue in interest on the Kansas Pacific. This will be a complete loss, as this road, when sold by itself, will not bring the amount of the first mortgage, standing as it does, a prior claim to that of the Government.

None of the well-informed in Wall Street credited the partial surrender of the syndicate to any other cause than the fight which the leading newspapers of the country, headed by the Journal and the San Francisco Examiner, have made against the proposed sale.

Talk of Another Syndicate.

There was some talk of an opposition syndicate being formed, but it was so clear that this was a mere bluff on the part of certain capitalists who had not been "let into" the syndicate, and who employed this means to force their way in that no part of the credit for the victory was accorded to their tactics.

At the same time it cannot be denied that a victory for the people has been scored. Eight million dollars at least has been saved to the Government, and \$8,000,000 is a sum not to be sneezed at.

Members of the reorganization syndicate admitted late yesterday afternoon that the syndicate had been notified of the Government's willingness to accept the increased bid for the Union Pacific, and that the application to the courts for a

postponement of the sale would be abandoned.

This divides the reorganization of the Union Pacific and Kansas Pacific into two separate and distinct schemes. The only opportunity which the Government had to get back the millions which it had sunk in the Kansas Pacific subsides was by selling that road in connection with the Union Pacific. Save for its existence as an integral part of the Union Pacific system it is absolutely valueless. The part in which the Government has an interest runs from Kansas City to a spot out on the prairie known as the 39th mile post. From that point on the road is owned entirely by the Union Pacific. When the reorganization syndicate gets the Union Pacific it can cut out the Kansas Pacific from any through connections and completely strangle it.

The reorganization syndicate has studied the situation solely with an eye to profit at the Government's expense. The Kansas Pacific is at present paralleled from Leavenworth to the town of Milwaukee, a distance of 165 miles, by a road which is owned by the Union Pacific. The Leavenworth, Kansas & Western, another road, the Union Pacific, Lincoln & Colorado parallels the Kansas Pacific again for 225 miles. This, it is understood, the syndicate controls. This leaves a link of less than fifty miles to be built in order to make a line paralleling the Government's 394 miles of road completely, from one end to the other.

The Parallel Road.

With this parallel line and the power to prevent the Government to gain any through connections for the line in which it has a \$13,000,000 interest, the Kansas Pacific would not bring at sale the \$3,000,000 first mortgage lien, which is prior to that of the Government's claim.

The syndicate knows that it can build the connecting link necessary to form a parallel line to the Kansas Pacific for a hundred thousand dollars. It therefore refuses to pay the \$12,874,315 which would give it the Kansas Pacific and declares that it is willing to make its bid for the Union Pacific \$5,000,000 rather than bid for both of the properties.

The amount of new first mortgage bonds to be issued for the purposes of the reorganization of the Union Pacific main line will not exceed \$70,000,000, and of preferred stock \$25,000,000.

What the Market Showed.

The action of the stock market yesterday was taken to indicate that the Reorganization Syndicate will not levy an assessment upon the Union Pacific stockholders, in order to make up the \$3,000,000 which it has been forced to pay in its original bid. The syndicate, it is understood, will accept this decrease in profits which it will get out of the deal without compelling the security holders to make it up.

The interest which London feels in the deal was manifested in the opening of the market yesterday. Union Pacific was advanced from 21 1/2 to 22 1/2. On this side the price rose gradually until it reached 24 1/2, an advance of nearly three points above the close of the night before. The closing price yesterday was 24 1/2.

The effect of the new deal on Kansas Pacific securities was equally as marked in the other direction. The first consolidated trust certificate of Kansas Pacific sold on Monday at 90 1/2. Yesterday they opened at 88, a sheer fall of 2 1/2 points. There was a rally later in the day, but the securities were again closed at 82 and closed at that figure.

How the Banks Feel It.

The knowing ones, after discovering that the National City Bank had so heavy a credit in its favor searched the list and discovered that the Chase Bank had a debit against it of \$179,000 and the Importers and Traders one of \$1,801,000. Then they pointed out that General Sam Thomas was one of the heaviest depositors at the Chase Bank, and that the Importers and Traders was one of Russell

ENGLISH SYNDICATE IS AFTER THE ROAD.

"Cousin" Osborne Cables McKenna that London Financiers Are Preparing to Make an Offer.

London, Oct. 26.—Consul-General Osborne yesterday cabled to Attorney-General McKenna that another reliable bid for the Union Pacific road might be made if the sale were postponed. He added:

"This effort to secure the property, looking to the reputation of the parties concerned, is undoubtedly an honest one." The prospective bidders referred to are Coates, Son & Co., financiers of the highest standing who have had railroad interests in Canada and have sold Canadian and American bonds issues in Europe. The consorts became interested in the Union Pacific sale, and is said to be organizing an opposition syndicate. The chief obstacle to be overcome was the short notice given by the court's notice which too short to allow the maturing of plans for securing the necessary capital. The plans of Coates, Son & Co. were communicated to United States Consul-General Osborne, who, thinking that a better price would result from fostering the competition, cabled Attorney-General McKenna.

CONCERNING CONDITION OF THE ROADBED.

Former Foreman Clare Repeats His Charges, Which Are Indignantly Denied by Officers of the Company.

Michael Clare, formerly a section foreman in the employ of the New York Central Railroad, in charge of the very part of the track where the disaster occurred, will be called as a witness by the Coroner of Putnam County when he takes his official investigation into the cause of death of the twenty victims of the wreck. Clare says, as reported yesterday in the Journal, that he reported the roadbed unsafe, and resigned his position because he would not ensure the responsibility of care of the track when his superior's failed to act on his recommendations. Yesterday Clare went over the road and gave his opinion to a Journal reporter. According to Clare, at the particular portion of the road where the disaster of Sunday occurred, the retaining wall rises above the tide but a foot or two. Upon an underlying of boulders, rested the collapsed sea wall, through the crevices of which, the wash of the tides on the one side, and the streams, small but persistent, from the hillside on the other, were especially strong in his denunciation upon which the roadbed rested.

Clare says also that at Beverly Bridge, less than a mile above the place where

LOUIS FITZGERALD.

of your esteemed favor, inviting me to be present at a meeting of the German Democracy. Much to my regret, I had that an engagement to this evening will deprive me of the pleasure of being with you, but I assure you of my appreciation of your efforts to insure Democratic success. I believe that the citizens of Greater New York are slow to take the lead in this campaign so clearly set forth in the Democratic platform. These are the reasons why I cannot be misled in 1897, either by Democratic enemies or her false friends. The coming election is certain to bring a Democratic victory, because the issues cannot be clouded and because the people will have no more of a bluff.

While the letter was being read John C. Sheehan, in company with Candidate Thomas Dunn and a host of German Tammanyites entered the hall and were loudly cheered. The speakers of the evening were Ernest C. Stull, of Brooklyn; Otto Kemper, Dr. John Fredericks, Moritz Ellinger, Max Beckmann and Felix Schwartzschild.

All the speakers heartily denounced the reform at Hamilton, and had unfavorable things to say about the Baines Law, the Police Board, Mayor Strong and the people whom they appointed. Mr. Kemper was especially strong in his denunciation of the actions of the Police Board and said that Mr. Mees was as much of a fanatic as Theodore Roosevelt.

Before adjournment stirring resolutions were adopted declaring that the fight was against political hypocrisy, fauclism and artificial legislation adapted neither to the spirit of the times nor to the wants of a metropolitan city.

"Resolved, That we pledge ourselves to give our best support to Robert A. Van Wyck as well as the other regular Democratic candidates on the municipal ticket, and to the concluding paragraph of the resolutions.

President Hill's View of It.

By James J. Hill, President Great Northern Railway.

St. Paul, Minn., Oct. 26.—The Government has acted in the Union Pacific matter like a lot of cowardly politicians who are afraid to assume any responsibility.

I see nothing in the deal except a desire on the part of the old bondholders, who have sustained great loss by the mismanagement of the road, to regain possession of the property. I do not believe that J. Pierpont Morgan is interested in the affair, nor do I believe that the Vanderbilts are concerned in it.

Get It All, Says Senator Harris.

Linwood, Kan., Oct. 26.

Editor New York Journal:

I oppose separate sales. Congress should require the Government to bid the full amount of its claim and should require a similar settlement with the Central Pacific at the same time.

The Government should acquire the whole continuous line or get all its claim on all lines paid in full. The whole thing should be regarded as one property, making settlements in full with all the different interests or with none.

W. A. HARRIS,

United States Senator.

"Journal Has Done Great Work."

Editor New York Journal:

"I have taken considerable interest in this Pacific Railroad matter, and am free to admit that the Journal has done great work. I believe that the postponement, if granted would enable the Government to get a price for the Union Pacific system which would satisfy its claims in full.

GEORGE W. McBRIDE,

United States Senator from Oregon.

"Let the Government Bid It In."

Washington, Oct. 26.

Editor New York Journal:

I do not believe in Governmental ownership of railroads and telegraph lines, but I think in the case of the Union Pacific Railroad, the United States should retain possession of or bid in the property, until a suitable price for it is obtained. I think that railroads in Government hands would become political machines, and I am certain could not be run on economic lines.

I think the New York Journal deserves the greatest praise for its efforts in saving to the people of this country millions of dollars. I always read the Journal and have received all of my information of the developments of the sale from that paper.

D. JOHN MITCHELL,

United States Senator, Wisconsin.

GERMAN CITIZENS ACCLAIM VAN WYCK.

Rousing Meeting in Cooper Union Addressed by Noted Men.

The German Democratic citizens of New York and Brooklyn, assembled in mass meeting at Cooper Union last night to listen to speeches in favor of Robert A. Van Wyck and the Tammany ticket. It was a great meeting. In all respects it surpassed any political gathering of Germans since the nominations were made. The hall was thoroughly filled at half-past 7 o'clock, and at 8 o'clock, when the gavel sounded on the speaker's desk, a great crowd clamored ineffectually outside for entrance. So great was the jam, that it was necessary to hold an overflow meeting in the street.

In the hall there was vociferous applause when William Schorer was announced as president of the meeting. He made a short speech, in which he lauded the Tammany candidate and called upon his German brethren to vote to be relieved of the burden of reform administration. It was supposed that Mr. Van Wyck would be present, but he found it impossible to attend. He sent this letter of regret:

"I have endeavored to acknowledge the receipt of your esteemed favor, inviting me to be present at a meeting of the German Democracy. Much to my regret, I had that an engagement to this evening will deprive me of the pleasure of being with you, but I assure you of my appreciation of your efforts to insure Democratic success. I believe that the citizens of Greater New York are slow to take the lead in this campaign so clearly set forth in the Democratic platform. These are the reasons why I cannot be misled in 1897, either by Democratic enemies or her false friends. The coming election is certain to bring a Democratic victory, because the issues cannot be clouded and because the people will have no more of a bluff."

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Joseph Gerlinger, the fourteen-year-old son of Frank Gerlinger, of No. 983 Metropolitan avenue, died early yesterday morning and although he is but a child, he was a very popular figure in his neighborhood. He was known for his excellent character and his love of his fellow citizens. He was a 200-pound weight. Although he sometimes complained of a pain near his heart, he never said he was ill. He died at his home, 983 Metropolitan avenue, on Monday night, where he was found by his mother. He seemed to feel better after drinking it and he went home. Early yesterday morning he went

into spasms and died before the arrival of Dr. Newman, of No. 301 Graham avenue.

Charles Kerk, sixty-eight years old, a baker, of No. 474 Metropolitan avenue, who lost his wife a week ago because the supper she had prepared for him was not to his liking, was declared in the New York Journal Police Court yesterday. Mrs. Kerk failed to be on hand to prosecute her husband, who was arrested for being in the house with her. He was released on bail. He was released on bail. He was released on bail.

Joseph Mack, a respectable looking man, who lives at No. 71 Lorimer street, Williamsburg, was found in the Bowery Street Police Station last night on a warrant sworn out by Agent Myers, of the Children's Society, for being in the house with his wife. He was released on bail. He was released on bail. He was released on bail.

London, Oct. 26.—At the Westminster swimming baths to-day Cavill, the Australian champion, beat McCusker in the first three races arranged for distances of a quarter mile, one-half mile and 300 yards. Cavill covered the quarter-mile in six minutes and a quarter, and the half-mile in twelve minutes and a quarter, leading McCusker by two yards at the finish. The second race was held at 10 o'clock, and Cavill won it by a similar margin. It was held at 10 o'clock, and Cavill won it by a similar margin. It was held at 10 o'clock, and Cavill won it by a similar margin.

PURITAN DAMES. We hear a great deal these days of our fathers, but little concerning the wives and mothers who landed at Plymouth Rock and founded that colony which was destined to play such a large part in our history.

In 1620 Elder Cushman wrote from Plymouth that he "would not advise any one to come here who were not content to spend their time, labor and endeavors for the benefit of those who shall come after, quietly contenting themselves with such hardships and difficulties as shall fall upon them."

What self-reuneration and heroic purpose was this? They drowned wishes to be sure, but that was no part of their puritanism. It is to the puritan women we owe so much for that spirit in our people which gives them the fortitude to endure hardship and stake life and fortune for their convictions.

The American women of to-day have the spirit of their puritan mothers, but their constitutions are not rugged or able to endure half the hardships of these New England ancestors. Very often they are run-down with weakness and irregularities peculiar to their sex, and the constant drain upon their vital and makes them chronic invalids. Many women hesitate to go to their family physician, because they dread the local examinations so generally insisted upon by practitioners.

Such women should write Dr. R. V. Pierce, chief consulting physician of the "Invalids' Hotel and Surgical Institute, Buffalo, N. Y., giving a full description of their symptoms, history, etc., so that he can give them the best possible medical advice. If Dr. Pierce's Favorite Prescription seems to suit the case the Doctor will say so. If not then he will give medical advice which will put such women on the rapid road to recovery and health.

Catarrrh Caused by Impure Blood, May Be Cured by Purifying the Blood.

Catarrrh is an inflammation of the mucous membranes, and may affect the head, throat, bowels or bladder. Catarrrh in the head is the most common form of the disease. Hood's Sarsaparilla, working through the blood, eradicates the scrofulous taints which cause catarrrh and completely cures the disease.

Hood's Sarsaparilla

Is the Best—in fact, the One True Blood Purifier. Hood Pills are the favorite family cathartic.

Settle Other Debts, says Perkins.

Editor New York Journal:

Postponement would be in the interest of the Government and the people. I am in favor of using every honorable means to realize, if possible, one hundred cents on the dollar for the Union Pacific debt.

It is an open secret that this old syndicate, which guaranteed at first \$45,000,000 and then raised the amount to \$50,000,000, had its plans well in hand for a big turn. The deal was much discussed in Washington, formed to yield many millions of profit to the promoters.

I was last Summer much in favor of delay. I was always hopeful that the Administration would give Congress an opportunity to have a voice in this matter. If Senator Harris's resolution to postpone the sale until December had been put to a vote last session it would, in my judgment, have passed the Senate by a 2 to 1 vote. The postponement of the sale would mean that an opportunity would be given, perhaps, for the Government to secure a bid on the roads, the Union and Kansas Pacific, much nearer the debt they owe.

With that end in mind I say that no true representative of the people could oppose postponement. I would go further and favor the settlement of the Central Pacific debt now. Let the terms on the Union Pacific sale apply to the Central Pacific road. They were considered as one great transcontinental line when the grants were made by Congress. Though built by two corporations, they are virtually one transcontinental road, and the debates in Congress when they were subsidized so indicate the public belief at that time. Let the Government settle this railroad debt proposition for the Central Pacific road, and take it out of politics, where it has been for twenty-five years, the bogie man of California.

GEORGE C. PERKINS,

United States Senator from California.

"Leave the Matter to Congress."

Editor New York Journal:

The Journal is right in opposing separate sales of the Union Pacific and Kansas Pacific. The latter could be made worthless without the main line connections.

The Government should not have been made a party without consent of Congress. There should be no sale of any kind under existing conditions. It would be a crime against the people and a national scandal. The whole matter should be remitted to Congress.

W. L. TURRY,

Representative from Arkansas.



JACOB A. SCHIFF



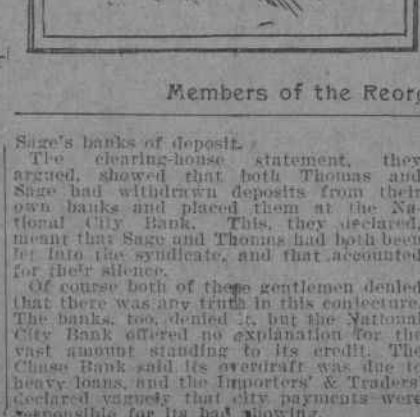
CHARLES M. DREXEL



T. J. COOLIDGE



MARKON HUGGITT



Members of the Reorganization Committee

Size of banks of deposit. The clearing-house statement, they argued, showed that both Thomas and Sage had withdrawn deposits from their own banks and placed them at the National City Bank. This, they declared, meant that Sage and Thomas had both been in the syndicate, and that accounted for their silence.

Of course both of these gentlemen denied that there was any truth in this conjecture. The banks, too, denied it, but the National City Bank offered no explanation for the vast amount standing to its credit. The Chase Bank said its accountants saw the heavy loans and the Importers & Traders declared vaguely that city payments were forthcoming for its bad showing.

the wreck occurred, is a break in the retaining wall. This break, he pointed out, He also pointed to other places that he declares are not in proper condition, speaking particularly of one place where the retaining wall is projecting over the road bed. He called attention to a place on an eighth of a mile nearer the wreck than Beverly Bridge, saying that here, too, were evidences of recent sliding, with broken limestone, such as had been brought to the scene of the wreck. At another spot Clare stopped to say that there sixty feet of the wall fell away during the freshets on April, after serving its purpose protection for a period of less than three months.